

FISCAL NOTE
SB 911 - HB 1141

March 18, 2003

SUMMARY OF BILL: Provides a franchise tax credit of \$2,000 or 10% of the wages earned, whichever is less, for businesses employing apprentices as follows:

- The taxpayer must obtain certification from the U.S. Department of Labor apprenticeship program.
- Only one tax credit per year is allowed.
- The credit cannot exceed tax liability and can only be carried forward for two years.
- Only the first 90 taxpayers applying for the credit would receive the credit each year.
- The credit would be retroactive to January 1, 1997.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$76,400 One-Time

**Decrease State Revenues - \$180,000 Recurring
\$720,000 One-Time**

Estimate assumes:

- A one-time developmental cost of \$76,400.
- All of the credits issued will be for the \$2000 maximum amount.
- All of the taxpayers have a tax liability exceeding \$2000.
- The annual decrease in state revenues will be equal to the number of taxpayers receiving the credit, 90, multiplied by the maximum credit, \$2000, for a total of \$180,000.
- Because the credit is retroactive to 1997, the credit in the first year will be, \$720,000, four times the normal annual amount.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director